

**REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
FOR
REACH COMMUNITY SOLAR FARM LIMITED**

REACH COMMUNITY SOLAR FARM LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Page
Company Information	1
Report of the Directors	2
Income Statement	4
Other Comprehensive Income	5
Balance Sheet	6
Statement of Changes in Equity	8
Notes to the Financial Statements	9
The following page does not form part of the financial statements	
Trading and Profit and Loss Account	12

REACH COMMUNITY SOLAR FARM LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019**

DIRECTORS:

C Cane
G Lingley
P Robinson
J Luttrell
J Wood

REGISTERED OFFICE:

Willow Farm
Lode
Cambridgeshire
CB25 9HF

REGISTERED NUMBER:

IP032300 (England and Wales)

FAC NUMBER:

32300R

ACCOUNTANTS:

Chater Allan LLP
Chartered Accountants
Beech House
4a Newmarket Road
Cambridge
Cambridgeshire
CB5 8DT

REACH COMMUNITY SOLAR FARM LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

Principal Activities

The society's principal activities are:

- to build and manage a community solar farm near Reach. The scheme is owned and run by a co-operative of local people, and it should generate enough clean, green electricity to power 50 houses.

Business Review

2019 has been a relatively straightforward year for the solar farm and generation. The panels continue to perform well and in 2019 we generated 270,887 units of electricity compared to 2018 when we generated 254,000 units (including 4 weeks generation loss due to the UKPN wire burnout) and to 2017 when we generated 256,252 units. This figure continues to exceed our target of 236,000 units.

We managed to obtain £1,800 compensation from UKPN for their wire burnout and reduction in export of electricity from the farm, largely due to lobbying by Paul Robinson and the local MP. (Although our UKPN contract stipulates that, even if they are at fault, UKPN are not responsible for loss of income any damage caused to our farm.)

We have managed to reduce insurance costs without compromising our level of cover and will be installing a bolt system to protect the solar panels from theft.

In order to make the best use of our accumulated surplus funds, in May 2019 the Board invested £25,054.47 in ethical and sustainable funds and investment. These performed well and at the end of the year 2019 were valued at £26,521, a gain of £1,466.53 with an overall yield of 2.1 per cent.

Given the current climate with the pandemic and severe economic situation, the Directors feel that in this time of need a Community Benefit Society should step forward and help those in need. As a consequence, the Board recommends to members that interest on the shares are paid at 2 percent and that this year a £4,000 contribution is made to a community cause working specifically to help those directly affected and alleviating the severe effects on less fortunate members of society and those hit hardest in the community. The beneficiaries of this donation will be decided by the members at the AGM.

Future Activity

The Board will continue to monitor the Feed in Tariffs, wholesale energy prices and what is being offered by various energy purchasers across the market. Wholesale prices have not risen and the Board recently made the decision to switch to a Feed in Tariff rate as this currently provides a better income.

In addition to the routine business of the organisation, a primary consideration for the board is to make sure we are making the best use of our accumulated surplus funds. We will continue to review our investments and monitor the markets, but given the current downturn, we are not recommending making further investments at this point. We will continue to review our insurance policies, if these continue to rise or offer less cover.

The board will continue to assess the long-term options for expanding the solar farm to our planning permission approved size (double the current size). In the current climate, however, it would not be feasible.

INTEREST AND TRANSFER TO RESERVES

£6,813 was paid in interest (2018 £10,175). A net surplus of £2,539, before unrealised gains on investments, (2018: deficit £980) was transferred to reserves.

REACH COMMUNITY SOLAR FARM LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019**

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

C Cane
G Lingley
P Robinson (Chair)
J Luttrell
J Wood

Chris Smith held office during the year but resigned before the date of this report, on 18 March 2020.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Co-operative and Community Benefit Societies Act 2014 legislation requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the society and of the profit or loss of the society for that period. In preparing those financial statements the directors are required to:-

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are responsible and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the society and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Society Act 2014. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE DIRECTORS:

.....
P Robinson - Director

Date: June 2020

REACH COMMUNITY SOLAR FARM LIMITED**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
TURNOVER		35,331	31,527
Cost of sales		<u>141</u>	<u>140</u>
GROSS PROFIT		35,190	31,387
Administrative expenses		<u>28,326</u>	<u>25,899</u>
		6,864	5,488
Other operating income		<u>600</u>	<u>600</u>
OPERATING PROFIT	4	7,464	6,088
Income from fixed asset investments		213	-
Interest receivable and similar income		<u>75</u>	<u>7</u>
		<u>288</u>	<u>7</u>
		7,752	6,095
Interest payable and similar expenses		<u>6,813</u>	<u>10,175</u>
PROFIT/(LOSS) BEFORE TAXATION		939	(4,080)
Tax on profit/(loss)		<u>(1,600)</u>	<u>(3,100)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u><u>2,539</u></u>	<u><u>(980)</u></u>

The notes form part of these financial statements

REACH COMMUNITY SOLAR FARM LIMITED

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
PROFIT/(LOSS) FOR THE YEAR		2,539	(980)
OTHER COMPREHENSIVE INCOME			
Unrealised gain on investments		2,105	-
Income tax relating to other comprehensive income		<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>2,105</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>4,644</u>	<u>(980)</u>

The notes form part of these financial statements

REACH COMMUNITY SOLAR FARM LIMITED (REGISTERED NUMBER: IP032300)**BALANCE SHEET
31 DECEMBER 2019**

	Notes	2019		2018	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		262,191		278,579
Investments	6		<u>26,464</u>		<u>-</u>
			288,655		278,579
CURRENT ASSETS					
Debtors	7	14,340		13,320	
Cash at bank		<u>32,370</u>		<u>39,559</u>	
		46,710		52,879	
CREDITORS					
Amounts falling due within one year	8	<u>11,965</u>		<u>11,102</u>	
NET CURRENT ASSETS			<u>34,745</u>		<u>41,777</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			323,400		320,356
PROVISIONS FOR LIABILITIES			<u>36,600</u>		<u>38,200</u>
NET ASSETS			<u>286,800</u>		<u>282,156</u>
CAPITAL AND RESERVES					
Called up share capital			339,150		339,150
Revaluation reserve	10		2,105		-
Retained earnings			<u>(54,455)</u>		<u>(56,994)</u>
SHAREHOLDERS' FUNDS			<u>286,800</u>		<u>282,156</u>

The society is entitled to exemption from audit under Section 84 of the Co-operative and Community Benefit Societies Act 2014 for the year ended 31 December 2019.

The directors have not required the society to obtain an audit or an Independent Examination of its financial statements for the year ended 31 December 2019.

The directors acknowledge their responsibilities for:

- ensuring that the society keeps accounting records which comply with Sections 75 of the Co-operative and Community Benefit Societies Act 2014 (the Act),
- establishing and maintaining a satisfactory system of its books of accounts, its cash holdings and all its receipts and remittances in order to comply with section 75 of the Act, and
- preparing financial statements which give a true and fair view of the state of affairs of the society as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 79 and 80, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the society.

The notes form part of these financial statements

REACH COMMUNITY SOLAR FARM LIMITED (REGISTERED NUMBER: IP032300)

BALANCE SHEET - continued
31 DECEMBER 2019

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

These financial statements were approved by the Directors and authorised for issue on 10 June 2020 and were signed on their behalf by:

.....
P Robinson - Director

.....
C Cane - Director

.....
G Lingley - Director

REACH COMMUNITY SOLAR FARM LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 January 2018	339,650	(56,014)	-	283,636
Changes in equity				
Issue of share capital	(500)	-	-	(500)
Total comprehensive income	<u>-</u>	<u>(980)</u>	<u>-</u>	<u>(980)</u>
Balance at 31 December 2018	<u>339,150</u>	<u>(56,994)</u>	<u>-</u>	<u>282,156</u>
Changes in equity				
Total comprehensive income	<u>-</u>	<u>2,539</u>	<u>2,105</u>	<u>4,644</u>
Balance at 31 December 2019	<u><u>339,150</u></u>	<u><u>(54,455)</u></u>	<u><u>2,105</u></u>	<u><u>286,800</u></u>

The notes form part of these financial statements

REACH COMMUNITY SOLAR FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. STATUTORY INFORMATION

Reach Community Solar Farm Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 (Companies Act 2006) and is registered with the Financial Conduct Authority. The registered office is Willow Farm, Lode, Cambridge, CB25 9HF.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UK GAAP), Financial Reporting Standard 102 (Section 1A) "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention and are presented in sterling £.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 5% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Going concern

The directors have considered the financial position of the society and believe it is well placed to manage its business risks successfully. The directors have a reasonable expectation that the society has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of preparation in preparing the financial statements.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was NIL (2018 - NIL).

REACH COMMUNITY SOLAR FARM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. OPERATING PROFIT

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation - owned assets	<u>16,388</u>	<u>16,388</u>

5. TANGIBLE FIXED ASSETS

Plant and
machinery
etc
£

COST

At 1 January 2019 and 31 December 2019	<u>327,743</u>
---	----------------

DEPRECIATION

At 1 January 2019	49,164
Charge for year	<u>16,388</u>
At 31 December 2019	<u>65,552</u>

NET BOOK VALUE

At 31 December 2019	<u>262,191</u>
At 31 December 2018	<u>278,579</u>

6. FIXED ASSET INVESTMENTS

Other
investments
£

COST OR VALUATION

Additions	25,000
Disposals	(640)
Revaluations	<u>2,104</u>
At 31 December 2019	<u>26,464</u>

NET BOOK VALUE

At 31 December 2019	<u>26,464</u>
---------------------	---------------

Cost or valuation at 31 December 2019 is represented by:

	Other investments £
Valuation in 2019	2,105
Cost	<u>24,359</u>
	<u>26,464</u>

REACH COMMUNITY SOLAR FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2019

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2019	2018
	£	£
Other debtors	<u>14,340</u>	<u>13,320</u>
8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2019	2018
	£	£
Taxation and social security	483	-
Other creditors	<u>11,482</u>	<u>11,102</u>
	<u>11,965</u>	<u>11,102</u>
9. LEASING AGREEMENTS		
Minimum lease payments under non-cancellable operating leases fall due as follows:		
	2019	2018
	£	£
Within one year	1,734	1,638
Between one and five years	<u>6,936</u>	<u>6,552</u>
	<u>8,670</u>	<u>8,190</u>
10. RESERVES		Revaluation reserve
		£
Gain on revaluation		<u>2,105</u>
At 31 December 2019		<u>2,105</u>
11. OTHER FINANCIAL COMMITMENTS		
Total financial commitments as at 31 December 2019 that are not included in the balance sheet amount to £nil (2018: £nil).		
12. RELATED PARTY DISCLOSURES		
The society is not controlled by any one individual.		
The land is leased from John Robinson who is the father of Paul Robinson, Chairman of the Company. The rent paid during the year to 31 December 2019 was £1,664 (2018: £1,631). The rent for the year to 31 December 2020 is expected to be £1,734.		
Dr Andrew Rankin is the owner of Midsummer Energy Limited. Dr Andrew Rankin was a founder Director of Reach Community Solar Farm Limited, who stood down in March 2014. He continues to provide administrative support to the Directors and managed the project for Reach Community Solar Farm Limited. Midsummer Energy Limited provided the Solar Panels and much of the other infrastructure for the project and will continue to provide maintenance. Midsummer Energy were paid £2,933 (2018: £4,305). 2018's payments included a one-off for fire damage of £1,399.		
The directors were aware of these transactions with related persons from the outset of the project.		

REACH COMMUNITY SOLAR FARM LIMITED

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019		2018	
	£	£	£	£
Turnover				
Electricity supply	15,233		12,798	
Feed in tariff	18,039		16,764	
REGO	173		116	
Fire repair compensation	<u>1,886</u>		<u>1,849</u>	
		35,331		31,527
Cost of sales				
Other direct costs		<u>141</u>		<u>140</u>
GROSS PROFIT		35,190		31,387
Other income				
Sensor rent	600		600	
Other fixed asset invest - FII	213		-	
Deposit account interest	<u>75</u>		<u>7</u>	
		<u>888</u>		<u>607</u>
		36,078		31,994
Expenditure				
Rent	60		60	
Light and heat	113		120	
Lease of land	1,664		1,631	
Administration costs	2,993		4,870	
Licences and insurance	1,998		1,735	
Accountancy	450		300	
Subscriptions	-		273	
Investment manager fees	640		-	
Donations	4,000		500	
Depreciation of tangible fixed assets	<u>16,388</u>		<u>16,388</u>	
		<u>28,306</u>		<u>25,877</u>
		7,772		6,117
Finance costs				
Bank charges	20		22	
Interest payable	<u>6,813</u>		<u>10,175</u>	
		<u>6,833</u>		<u>10,197</u>
NET PROFIT/(LOSS)		<u>939</u>		<u>(4,080)</u>